

Scott M. Matheson
Governor



STATE OF UTAH
DEPARTMENT OF HEALTH
DIVISION OF ENVIRONMENTAL HEALTH
Utah Water Pollution Control Committee
150 West North Temple, P.O. Box 2500, Salt Lake City, Utah 84110-2500

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May 1, 1984

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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Howard F. Bovers, Chairman
Kinetic Minerals, Inc.
1012 North Beck Street
Salt Lake City, UT 84103

RE: Kinetic Minerals, Inc.
Stateline Milling Operation
Iron County, Utah

Dear Mr. Bovers:

We acknowledge receipt of your letter dated April 13, 1984 wherein you indicate your intent to discontinue, until further notice, the use of the cyanide recovery system at the above referenced operation. Additionally, you indicate that an alternative using the floatation process with aerofloat 404 and aeroxanthate 350 is contemplated. Your letter together with previously submitted information, sampling data, inspection reports, and explanations provided in the meeting held March 12, 1984 have been reviewed and considered. The findings and conclusions are summarized below:

- a. A discharge of cyanide solution occurred sometime during the period from November 18 to November 22, 1983 from the Kinetic Minerals, Inc. Stateline Milling Site. The quantity of solution and the actual concentration of cyanide of the discharge cannot be determined with any certainty. Samples collected, however, indicate concentrations as high as 166 mg/l cyanide which would be reasonable to expect from this operation. Typical concentrations from cyanide leaching operations are substantially greater than the value determined from our sampling.
- b. Kinetic Minerals, Inc. claims the discharge was accidental. The evidence is not sufficient to support a contrary conclusion.
- c. It is understood that Kinetic Minerals, Inc. represents there may have been a misunderstanding on the part of Kinetic Minerals, Inc. as to whether the appropriate officials were aware of the discharge of cyanide. Nevertheless, Kinetic

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Minerals, Inc. failed to notify the Executive Secretary of the Utah Water Pollution Control Committee as required by U.C.A. 26-11-15.

- d. Kinetic Minerals, Inc. took reasonable remedial action by distribution of chlorine solution in the area of the discharge to attempt to neutralize the cyanide.
- e. Sample data indicate cyanide to be present in the old tailings and along the hillside in the spill area. Also, cyanide was detected in the stream below the point of entry of the spill. It is unknown what impact the cyanide presently is having on surface and groundwater quality.
- f. The water level in the tailings pond has dropped approximately seven feet during the period of November 1983 through April 1984 demonstrating the pond is not in compliance with the seepage requirements of the construction permit.

In resolution of this matter the Utah Water Pollution Control Committee has determined:

- a. The construction permit issued to Kinetic Minerals, Inc. dated May 25, 1983 IS HEREBY RESCINDED. The use of the pond for containing cyanide, or other chemicals including aerofloat 404 and aeroxanthate 350, will not be approved unless and until the pond is relined and demonstrated to comply with acceptable seepage requirements.
- b. Kinetic Minerals, Inc. must develop and implement a monitoring program to determine the affects of the cyanide. As a minimum, the program should include the following sampling points: stream above the milling operation; stream below the operation; seep below the tailings pond; center monitoring well below tailings pond; and, service well located approximately 300 yards below the tailings pond. Samples should be collected at least monthly for a three month period with a summary report to be prepared and submitted to this office for evaluation by no later than September 15, 1984, and to determine if any future monitoring and remedial measures are necessary. Additionally, sampling results are to be submitted to this office immediately upon their availability. Any results indicating a public health or environmental concern as determined by Kinetic Minerals, Inc. or this office will require immediate remedial action to be taken by Kinetic Minerals, Inc.

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- c. Kinetic Minerals, Inc. must evaluate the current and potential impact of the cyanide in the soil and tailings along the hillside below the mill. The practicality of reducing the potential cyanide impact, such as by broadcasting calcium hypochloride, or constructing a berm below the site, must be evaluated. This evaluation must be submitted to this office by no later than May 30, 1984.

Your cooperation in resolution of this matter has been appreciated. If you have any questions with the above, please let us know.

Sincerely,

UTAH WATER POLLUTION CONTROL COMMITTEE



Calvin K. Sudweeks
Executive Secretary



FCP:jg

cc: Southwestern Utah District Health Department
EPA, Compliance Branch
Fred Nelson, Assistant Attorney General
Wayne Thomas, Division of Environmental Health/Cedar City
Scott Thorley, Iron County Attorney